



Incorporating the 'Free Economic Review' and 'The Indian Rationalist'

AN INDEPENDENT JOURNAL OF ECONOMIC AND PUBLIC AFFAIRS

WE STAND FOR FREE ECONOMY AND LIBERTARIAN DEMOCRACY

MAKE ENGLISH THE LINGUA FRANCA OF INDIA



Vol. VII No. 20

THIS ISSUE

November 15,

	PAGE		PAGE
EDITORIAL	1	Tibet Agitates India by Shurokh Sabavala	10
<i>The Red Dragon in Ladakh or the Mao-Menon Line</i> by M. A. Venkata Rao	4	ECONOMIC SUPPLEMENT	I-IV
<i>We are Playing the Communist Game</i> by M. N. Tholal	7	DELHI LETTER	11
<i>Secret Sino-Pak Plot To Grab Kashmir!</i>	9	<i>The World of Books</i> by Daniel Bell	13
		BOOK REVIEWS	15
		Gleanings from the Press	16
		NEWS DIGEST	18

EDITORIAL

GENERAL CARIAPPA'S CALL FOR ACTION AGAINST THE CHINESE

FORMER Commander-in-Chief of the Indian Army, General K. M. Cariappa has called for resolute and immediate action against the Chinese aggressors on the northern frontier.

"If immediate steps were not taken today to dislodge the Chinese troops occupying Indian soil in the NEFA and Ladakh areas, it will become more difficult and more costly in all respects to do so later.

"Delay and hesitation on our part to act will encourage the Chinese to take more liberties, to keep on making more claims on our territory and to send forward more troops across our frontier.

"Our honour is at stake; to preserve which no sacrifice can be too great to any Indian regardless of political affiliations.

"If we are driven by China to go to war, let us go to it with 400 millions of our people solidly behind the Government but I hope that war will not be resorted to, to settle the issue.

"All the peace-loving peoples of the world will support whatever steps India may take in this matter.

"The time has come to act. Let us not rely on paper protests and polite words to defend our frontiers.

"Panchsheela or no panchsheela, non-violence or no non-violence, we have got to be men and act boldly and resolutely."

Thus spoke General Cariappa. In these words, he has given expression to the deepest feeling and anxiety of the entire population of India. People want signs of resolute and well-planned long-term action to throw the Chinese out of our soil, whatever the consequences.

THE PRIME MINISTER'S BOLD WORDS

Pandit Nehru is not lacking in bold words either but his record being what it is, one of brave words and cold feet and inaction in the face of external danger, people are doubtful if strong action will be taken by him at all!

People fear that once again as in the case of Pakistan in Kashmir, he might acquiesce in the loss of present territories under Chinese occupation in Ladakh.

There was a strong rumour from reliable quarters at the time of the police action in Hyderabad (when Sardar Patel was alive) that Pandit Nehru rang up Defence Minister Baldev Singh at dead of night after the army had been ordered into action and asked him to hold the troops back! It was then too late; our Airforce had already bombed Hakimpet aerodrome and was on the point of capturing it!

☐ Pandit Nehru has never settled a problem of any complexity. On the contrary, he has a genius for

complicating it still further and rendering it perpetual

Sardar Patel asked Nehru repeatedly in vain to hand the Kashmir portfolio over to him, to whom it belonged as Home Minister.

The Naga problem is another of these vexations rendered needlessly difficult through the vacillation and "nonviolence" and tenderness to the shooting enemy and the penchant to dictate army strategies from the backseat that characterise Pandit Nehru.

But stung by press criticisms about his unfirm policy regarding the Chinese intruders even after their dastardly attack on our police patrol led by the gallant Karam Singh near Chan Chengmo, Pandit Nehru has used brave words in a speech at New Delhi in a mammoth meeting on 1st November. He said that "we have confidence in our strength and our determination to meet the challenge. We will defend our country with all our might... If China is a big country, so is ours a big country." He would "disabuse anyone of any lurking suspicion that we might not be able to defend our integrity, if the Chinese invade us. This is utterly uncalled for and is a useless thought to entertain."

He also said that the dimensions of this challenge might grow and that we should keep this in view in planning our defences today.

But the same speech contained reference to our non-violent heritage and the need to retain the nonalignment policy! Nehru added a number of further fallacies to his usual stock in defending the retention of neutralism and nonalignment.

He sought to make out that if we take military assistance, we would lose our freedom to the hel-

per! He referred to countries to the right and left of us as evidence of those who had sold their freedom.

But surely this is absurd! Pakistan has not lost her freedom by taking American assistance. On the contrary, she has become strong enough to menace India's security!

Further, it all depends on the character of the nation taking assistance. If they are freedom-loving and have national self-respect, they will not allow military assistance to curtail their freedom of action.

It is true that ultimately freedom depends on the unity and strength of the nation. But today no national strength in the economic and psychological aspects will avail without adequate arms of the latest kind in the hands of trained soldiers and captains. Pandit Nehru is yet clinging to his nonalignment and refusing to use the fund of sympathy and readiness to help us evident in the free world led by America. His precious foreign policy (which is in ruins at the first touch of challenge by a major power sufficiently unscrupulous to disregard his spiritual poses) is more important to our leader than the military security of the country! This is wrong-headed and betrays a personal vanity too perilous to tolerate anymore.

The "prestige" brought by his nonalignment has not prevented the Chinese now and Pakistanis before from humbling us to the ground!

Far from appreciating the nation-wide anxiety of the people regarding the Chinese danger and rallying their enthusiasm and determination to join in a wide network of defence measures, civilian and military, he attacks newspapers for publishing such reactions of the public. He condemns fear and excitement. But whoever went to war or embarked on risky national enterprises without emotion and excitement? What is wrong is not emotion but its debilitating effect if left unaccompanied by action!

People want a plan whereby volunteers could help: some might enlist for short term service at the front, fighting or assisting the troops to fight, maintaining supplies and keeping the supplies lines open.

Women too might prepare garments and red-cross supplies and establish hospital bases behind the front.

Auxiliaries might be relieved by newly recruited volunteers who could look after internal order.

It is an excellent opportunity to give young men of military age experience of war in modern times and the benefit of patriotic emotion. It is such service under exalting conditions of work and sacrifice to the nation that strengthen national consciousness and unity.

On the contrary, Nehru imparts to the people his own sense of cold feet and chills their ardour and national spirit!

It is said that troops are being deployed in Ladakh, too in systematic fashion. It is to be hoped

The Indian Libertarian

*Independent Journal of Free Economy
and Public Affairs*

Edited by MISS KUSUM LOTWALA

Published on the 1st and 15th of Each Month

Single Copy 25 Naye Paise

Subscription Rates:

Annual Rs. 6; Half Yearly Rs. 3

ADVERTISEMENTS RATES

Full Page Rs. 100; Half Page Rs. 50; Quarter Page
Rs. 25.

One-eighth Page Rs. 15 One full column of a Page
Rs. 50.

BACK COVER Rs. 150

SECOND COVER Rs. 125

THIRD COVER Rs. 125

- Articles from readers and contributors are accepted. Articles meant for publication should be type-written and on one side of the paper only.
- Publications of articles does not mean editorial endorsement since the Journal is also a Free Forum.
- Rejected articles will be returned to the writers if accompanied with stamped addressed envelope.

*Write to the Manager for sample copy
and gifts to new subscribers.*

Arya Bhuvan, Sandhurst Road, Bombay 4.

that after preparations are complete, they will be ordered to go into action and engage the Chinese on our soil and throw them out.

As Cariappa exclaimed, if it means war, let it! Avoidance of war does not depend on one side alone! If the other side is determined to risk war and advances deeper into our territory and refuses to withdraw, it is our inescapable duty to throw them out—Panchsheela or no panchsheela, non-violence or no non-violence, to use the General's words! As the General said, the people are dissatisfied that days are passing without visible physical action of the military. Let there be movement of the troops on land and in the air and let the people of different ages and different occupations know what they should do in their places, apart from volunteers who may be moved to advanced bases.

To call for cooperation and fail to give a plan of mobilisation showing each person, man or woman, his or her place in the national effort, civil or military, is frustrating and is poor leadership.

Recently Pandit Nehru visited the famous Tirupati temple in Andhra Pradesh and was photographed with folded hands in the posture of a pilgrim before the deity. Religious people and the witnessing populace too were thrown into raptures at the sight!

It all shows how superficial our emotions are and how ready we are to excuse anyone if only he shows an inclination to our national weakness, namely religiosity. But the psychologists will note (in this access of the religious mood in Nehru on this occasion) the influence of the anxiety he is passing through. He is at his wit's end! His policies are in ruins. His popularity is on the wane.

As American newsmen are reporting, the Indian press has taken to an uncompromising criticism of Pandit Nehru. No wonder Nehru feels that his self-confidence is not enough and that there are higher powers (may be only natural) beyond his control to determine the final outcome of his action or inaction!

Even in this mood of humility and doubt, he does not change the essential basis of his thoughts. He continues to talk of the Five Year Plans as the architects of national strength. He forgets that the Food problem and the coming campaigns against the Chinese Dragon in the north and northeast have made his ideas of the Third Plan obsolete. Thousands of crores are now necessary for military purposes and for the expansion of food supplies, indigeneous and foreign. If Pandit Nehru wants us to take on these astronomical expenses along with his Rs. 10,000 crores—Third Plan, he is reckoning without his host. He will be releasing forces that will sweep him away from power, unthinkable as it may seem now to many, and unwelcome as it might be to those who are battenning on his patronage.

THE DANGER OF INACTION AND APPEASEMENT

Even after the bravest words about throwing the aggressor out at Longju in NEFA, we find that the army unit was asked to halt at two miles from the foreign troops and avoid an encounter! Why?

We have heard from time to time that the Army has been handicapped by "backseat driving" in the Naga campaign as well and has been held back from resolute action out of regard to the national official psychology of nonviolence! This precious non-violence is to be put forward as a shield even to meet those who shoot our men gun in hand, who ambush our soldiers, who fire on them without notice! We are doing our worst to destroy the morale and self-confidence of the finest of modern armies that the British left us as a legacy, along with the judiciary and the civil service.

A glance at the history between the two world wars will reveal the danger of ignoring small beginnings of aggression. Before the war with Hitler, the West ignored his reoccupation of the neutralised Rhinelands in defiance of the Treaty of Versailles according to which the area had to be kept demilitarised. Europe was afraid of war and let Hitler get away with it!

The result was that he built the Seigfried Line in defiance of the Treaty again. He built military roads east and west to transport troops in case of a war on both fronts. Mussolini felt that the British Lion beard could be singed without danger! So he embarked on his Abyssinian adventure. Japan occupied Manchuria and defied the Allies! The Lytten Commission of Inquiry exonerated the Japanese aggression, since it was at the expense of Russia! Hitler threatened Czechoslovakia. Chamberlain invoked an ancient treaty and arranged a peaceful rape of Czech territory shearing the Sudeten lands (the fortified area) from the Czech State and handing them over to Hitler on a platter!

Hitler next year invaded and annexed the demilitarised Czechoslovakia! The way was clear for Poland and the next year Hitler invaded Poland and precipitated world war II! So today, the free world shut its eyes when Hungary was ruthlessly reconquered by Russian tanks. Half of Indo-China was left to the Communists. And in Laos, the West is dillydallying.

And in Tibet, India and the West let a poor, ignorant, old-world nation be subdued by main force and cruelty by Red China. All these appeasements have been due to the fear of world war.

America has been forced by fear of war to abandon the Dulles' Policy of containment and liberation. The East European and Baltic nations are to be shamefully surrendered to international communism and Khrushchev is to be allowed to digest his illgotten gains despite of treaties and promises of freedom to subdued nations and to

(Continued on page 4)

The Red Dragon In Ladakh Or the Mao-Menon Line

By M. A. Venkata Rao

THE Chinese attack on an Indian police patrol party on 21 October deep within our Ladakh frontier and the statements issued about it both from New Delhi and Peking reveal that matters are much more serious on the Himalayan borders than we had realised from earlier statement after Longju.

(Continued from page 3)

strut the world stage as a peace maker! There can be only one end to this series. It is World-war—beginning at a time and place chosen by the aggressor camp bent on world conquest.

If India surrenders to the Red Dragon, it will be a blow not only to Indian independence but also to the peace and security of the whole world. We should not allow (and the world should not let us allow) the Chinese threat to daunt us into surrender of lawful territory in Ladakh and NEFA whatever the cost. This is the lesson of history. If war comes our way, let it—as Cariappa has said.

Views and Comments

OUR FIVE YEAR PLANS

The noted Indian Economist Dr. Dhananjay Rao Gadgil, speaking at Nagpur on the Third Five Year Plan pointed out that the plans have failed to enthuse the people as they are no longer connected with the prosperity of the masses at large. If our plan-targets should be fulfilled, the people should be intimately associated with them he suggested.

We see no reason why the people who are burdened with oppressive taxes should be enthused at all over the high-rocketing targets of the Plans which are totally unrelated to our resources and which are aimed at sacrificing the present generation for building up a nebulous future pointing to a drab collective existence called "socialism." If planning by the government results in further enriching Congressmen and the bureaucrats and if nationalisation of existing enterprises in the process of "planning" help to swell the coffers of Mundras who liberally donated to Congress funds, the mass of common people can justifiably be indifferent to all that is said and being done in the name of planning. We shall be much obliged to Economists like Dr. Gadgil if they recommend to the Government not methods and suggestions for the amelioration of our Soviet-inspired Plans but to scrap them outright.

Even writers favourable to the Prime Minister's foreign policy so far, have begun to doubt the wisdom of their hero (and idol) and the wisdom of his cabinet colleagues who have forsworn their joint responsibility and have let Pandit Nehru carry alone the burden of all foreign affairs, Mr. B. G. Verghes of *The Times of India* concludes his article on the Sino-Indian Border trouble in the issue of 28 October with the sombre comment that Nehru's "single-handed foreign policy has proved too costly" for the country. He points to the unhealthy practice of "the External affairs Ministry dictating strategy to the Army presumably because the Prime Minister is also the Minister for External Affairs! Whatever the reason, this backseat driving of defence policy must stop."

The attack in Ladakh near Chan Chenmo took place fifty miles within our border. The Chinese contingent had mortar and hand grenades and other battle armour and they were entrenched on a hillside in ambush apparently for some time.

The question now becomes urgent to decide where the Chinese now are and where they propose to stop as on a final border. What are their claims exactly?

The statement that they sent to New Delhi on the 26th October after the attack on the 21st, reveals the extent of their claims on Ladakh which extends to a substantial area amounting to some five or six thousand square miles.

They say that the frontier according to "historical tradition always extended southward after running through the Karakoram Pass. It runs through the Kong-ka Pass when it turns southeastward and then southward cutting across the west part of Lake Pangong. The entire area east of this line has always been under Chinese administration jurisdiction. The maps published in China have marked this section of the boundary precisely in accordance with historical tradition and the state of China's administrative jurisdiction."

"Since the liberation of Sinkiang and Tibet, Frontier guards of the Chinese People's Liberation Army have all along been stationed in this area."

"If this was not so, how is it thinkable that China could have built a road through this region?" This is a cheeky question. It uses India's silent acquiescence as proof of the validity of aggression! Indeed why did India maintain silence while this area was being occupied as long as the liberation of Sinkiang in 1950 and of Tibet in 1951? When

was the road completed? We realise that it must have been under construction all along from about 1951 or 1952! India was then asked to withdraw her Consul from Kashgar even in the midst of the thick scentimentality of the climate of Hindi Chinese Bhai Bhai that was being developed in lieu of foreign policy and defence measures.

Never was the utter peurility of word-monger in positions of power exposed so utterly in all history than in the present Chinese series of aggressions on our borders. Our representatives it is clear, went to sleep secure in the efficiency of their magic spell of Panchsheel!

How could they have kept the country ignorant of such large incursions into national territory? The unsullied purity of their pacific doctrine and their high prestige as purveyors of non-violence (as solvent of international conflicts) were more important to them than the security of the country entrusted to their care by historical destiny!

It is clear now that the Chinese are not satisfied with the Northeastern jutting in Aksaichin through which they have built their highway to Sinkiang. That gives them a couple of thousands of square miles to the east of the road.

But the spot near Chan Chenme to the south but far above southern Ladakh indicates that the Chinese are not satisfied with this chunk of territory. Their description of the line south of the Karakoram Pass gives them a large area of Eastern Ladakh, mostly uninhabited but still—having a number of villages scattered over the area.

Our Ladakhis say that these villages have always paid their taxes to Kashmir and not to Tibet as claimed by the Chinese now.

One of the unexplained puzzle of the conduct of our External Affairs Ministry (in effect of the Prime Minister) is the total absence of any attempt to watch Chinese actions in this area from 1951! India should have re-examined her actual border lines with reference to the best evidence available and made arrangements for frontier defence. Logistics and roads, outpost and things of the kind should have been thought of long ago and not now after the enemy has occupied the area in strength!

Even in NEFA, our patrols moved up to forward positions near the Line only after Chinese action in Tibet in May!

These Chinese communication of the 26th October contains a kind of threat and ultimatum that if Indian troops start patrolling again in the areas now occupied by them, China would cross the MacMahon Line in the east into Indian territory! In effect, they have conquered this area of Ladakh (some five thousand square miles) and have given us notice that it has been their own territory all along and have issued an ultimatum that any attempt to retake it or even to patrol the area will bring on a fresh invasion of NEFA areas as well!

What then is the final Line, that according to present intentions and indications, the Chinese will

let us have in Ladakh and NEFA?

There are conflicting rumours about their having left Longju. If they have actually moved a little further into their side of the Line at Longju, we may hope that China has accepted the MacMahon Line, for the time being at least,

And in Ladakh we have to reconcile ourselves to the loss of the area now occupied by China, unless we show more resolution and courage and realise the military duty of defending our frontier irrespective of the consequences—Indo-China war or even world war.

It is only such readiness, reckless of consequences that can lead to security for any nation. Those who fear to fight in national self-defence cannot hope to enjoy national independence for long. History and evolution are clear that only the fittest will survive and the condition for such survival is readiness and preparedness for war. War is the "inevitable baptism of fire" through which nations are born and are maintained. This situation will change only with the establishment of a world government some day in the far-off future.

There have been disturbing references to the barren, remote, grassless, treeless, uninhabited nature of the territories claimed and occupied by China in Ladakh from the beginning of the exposure of these hush hush doings in Indo-Chinese relations in the utterances of the Prime Minister. Observers like the Beachcomber of Thought have begun to suspect that these deprecatory references to the valuelessness of the lost areas in Nehru's statements might indicate that he has secretly agreed to their loss in exchange for recognition of the MacMahon Line! This corroborates the latest Chinese threat to march into the MacMahon Line if further patrolling is done in Ladakh by Indian police pickets!

The guess may well turn out to be true. It is in keeping with the cool assumption of complete proprietary rights over the whole country made by Pandit Nehru since independence.

Hence Mr. Kamath may be right in asserting that the true border today is the secret Line agreed to by Nehru under the rose—not the present Line claimed publicly but the new line accommodating the Chinese in their full demands: It may well be called as Mr. Kamath does: Nehru-Chou or Mao-Menon Line.

The grimness and audacity of the "settlement" is breath-taking. The areas occupied by the Chinese in Ladakh north and south are too vast to be retaken without major military operations—not short of war. But our national destiny is straddled to-day by a leader who has heard of war only in history as the wicked doings of wicked men who had not heard of panchsheel!

Now that he is confronted with a war situation himself he fails to rise to the demands of the emergency. He exclaims that we cannot go to war with China and that he will not slide into cold war lan-

guage but that he will maintain his neutralist position in spite of everything and that he will maintain his friendship with China in spite of their aggression into our territory!

He does not know and cannot guess how far the Chinese propose to enter into our territory. He does not know their intentions.

Now after the Chinese communications of the 26th October, there is no room for doubt about the intentions of the Chinese in Ladakh. They are penetrating into deep areas both in North and South Ladakh and have given notice that they mean to hold them.

For some distance south of the Karakoram Pass, the area included in Chinese occupation is now in Pakistan's hands as part of Azad Kashmir. Pakistan officially has not protested to China, (at least publicly) and is letting India face the music alone.

A Pakistani had written to the UNO complaining about the inability of India to defend this part of Pakistan-held Ladakh and asking the world organisation to make India surrender Kashmir as a whole to Pakistan on this ground of military inefficiency.

When confronted with this complaint in Parliament, Nehru brushed it aside with the remark that "he attached no importance to it." But he should be made to realise by public opinion that the head of a government should attach the first importance to the defence of national territories or quit the post he holds. As Mr. Verghese says, the leadership of Pandit Nehru seems to end up in substantial loss to the national homelands—if not worse. His contribution to the nation has become negative the balance sheet has turned adverse, deficit and perilous to the essential being and interests of the nation. It is time there is a change. If other parties are not in a position to take over through the ballot box, the President should call upon another Congress leader to take up the post of Prime Minister with more patriotic and realistic policies. Such men are to be found within the Congress party today. In fact only a small percentage, say 5 per cent, support Nehru in these border policies in their heart of hearts.

It is clear that Russia is not in favour of this aggression of the Chinese into Indian borders at present. Khrushchev had advised Mao and Chou to hold their hand and refrain from violence but that has made no change in Chinese doings! They continue to talk of settlement through peaceful negotiation" on the basis of Chinese maps which include these territories occupied by them already!

Nehru has refused to negotiate till they vacate them but will not use force to vacate the aggression! So the Chinese can sit pretty without danger!

We will not seek help from America. Indeed some leaders like C. Rajagopalachari speak as though seeking help from America is worse than defeat and absorption in communist countries!

We will not surrender but when forced, we will fall back, because we want to preserve panchsheel even through the opponent does not respect it! But what if they take advantage of our infantile

positions and enter deeper into our territory and take up the whole of northern India without a fight?

There is no answer in Nehru's diplomacy and philosophy!

One hope that silvers the dark clouds is that Russia has taken a strictly neutral line. Pravda has published Indian and Chinese positions on the Ladakh incident without change and without comment in favour of either side. This is a great favour to India as she is beyond the communist empire and China belongs to it as an integral part.

It is rumoured that Russia desires to mediate between the two disputants. In the short run, the proposal may be useful but ultimately it will take India deeper into the Russian orbit and she may have to pay an unconscionable price later on.

The only possible way out is to enter into a mutual defence pact with America and develop our military defences in the north with American military help.

If the border struggle develops into full scale war, there is no way but to turn to America for war material and training in the latest weapons.

But this policy will be put into force only by a different kind of leader and not by Nehru. It is necessary therefore to ask Nehru to withdraw voluntarily into retirement and not come in the way of the defence and independence of the nation. That is the greatest service he can render the nation in the present crisis, brought on chiefly by his own ineptness, lack of experience, blind optimism and lack of insight into history and human nature.

SPECIAL DEFINITIONS

DEMOCRACY

The art of cajoling the people into doing the things that the rulers want them to do, under the impression that the people themselves want to do precisely the same things.

DIALECTICAL MATERIALISM

The religious faith that "the inexorable law of history" will lead you to precisely the same goal (socialism) that you wish for in your subjective mind.

PANCHSHEELA

The creed of cowardice that refuses to engage in the "cold war" when the "hot war" itself is at the doorsteps.

PROHIBITION

The economics of making a "cottage industry" of illicit distillery, under the delusion that the addict has disappeared.

MORALIST

One who compensates his incapacity to enjoy the ordinary pleasures of life by preventing others from enjoying them.

THEORETICAL MARXIST

One who cannot appreciate a piece of artistic painting unless he has first delivered a lecture on the "class content" and the "ideological form" of the painted work.

We Are Playing the Communist Game

By M. N. Tholal

HAVING looked on at Chinese aggression in dumb amazement for five years and made himself the laughing stock of the people, Prime Minister Nehru, for the sake of rehabilitating himself in the estimation of his countrymen, is resorting to exactly what he has been condemning in others—bravado. Addressing a public meeting in Delhi on November he declared amidst prolonged applause: "We have confidence in our strength and determination to meet this challenge and meet it effectively. We will defend our country with all our might. . . . We can look after ourselves and defend ourselves. . . . We are strong enough to meet any challenge."

Like his master, Gandhi, Mr. Nehru is a past master in claptrap and for the last forty years has been doing nothing but seeking public applause and getting it at the cost of the country. And when disaster stares him in the face, like partition in 1947, he excuses himself with the observation: "We were unable to anticipate what happened." The tragedy of the situation lies not so much in demagogues like him not anticipating or not being able to anticipate what naturally follows their own actions and policies, but in their ability to drive out from public life those realists who can anticipate events. That is why it has been said that every people has the leaders it deserves.

FALSE SENSE OF SECURITY

If Mr. Nehru has confidence in the country's strength to meet the Chinese challenge and meet it effectively, one may be forgiven for asking him: "What is it that has been preventing you from doing so for the last five years?" Surely he is not in his heart of hearts in league with the Chinese and a traitor to his country? That is the only alternative. But he is nothing of the kind and the truth is—almost everybody knows it and yet an attempt is obviously being made to hide it from the country—that we are not by ourselves strong enough to meet the Chinese challenge, much less any challenge. The situation is obviously grave and it is the height of lack of patriotism at this juncture to lull the people into a false sense of security in regard to their armed might.

We will, as Mr. Nehru says, defend our country with all our might, but the question is being asked: Is our might comparable to the Chinese might? Do we stand any chance against the Chinese might unaided by others? China successfully defied the United Nations in Korea and amazed the world. It is the height of folly to under-estimate the enemy's strength. (The word 'enemy' was used by Mr. Nehru also in the course of his speech with

reference to China). But that under-estimation is implicit in the observation: "We are strong enough to meet any challenge."

Five years is a pretty long period and one cannot help suspecting that Mr. Nehru would have by now met the Chinese challenge, had he really felt the country was strong enough to meet any challenge. Whom do we deceive by declarations like these? Not surely the Chinese. The utmost declarations like these can do is to deceive the people who trust him—just as Gandhi deceived us repeatedly by declaring that nonviolence is the greatest of all forces in the world, whereas the truth is that nonviolence is always at the mercy of violence, as we saw with our own eyes in 1947 and before it.

Why then, it may be asked, is Mr. Nehru talking all this obvious nonsense about being strong enough to meet any challenge? The answer is obvious. The moment he concedes that we are not strong enough to meet the Chinese challenge, he raises a hue and cry for a radical change in his policy of non-alignment. And non-alignment is the successor of non-violence in India, even as Jawaharlal Nehru is the successor of Mohandas Karamchand Gandhi. Non-alignment is expected to serve the same purpose for Mr. Nehru as non-violence was expected to serve for Mahatma Gandhi. In any case, this non-alignment in not today—has not been for the last five years—serving any interest of the country. A country's foreign policy should make it strong and impregnable with or without alliances. Our foreign policy is designed to make us weak—so weak indeed that we are struck dumb when a neighbouring country annexes thousands of square miles of our territory. A man of faith believing in the efficacy of prayer like Gandhi might have said he was praying to God to make the Chinese leave the country, but Mr. Nehru has not even that pretext to offer for his silence extending over a period of five years. In any case, that shows how strong we are. We shall ignore the facts of the situation at our peril, howsoever uncomplimentary they may be to us.

CONSPICUOUS BY ITS ABSENCE

Is it any answer to say, as Mr. Nehru did at the Delhi meeting, that "it is not a good thing the way China is trying to flaunt her strength in a crude violent way"? That "this is not the way strong nations behave"? It is the same old "should-not-be" of Mahatma Gandhi. The fact is that China is behaving in a crude violent way—has been doing so for the last five years—and, as Gen. Cariappa declared in Delhi the other day, if immediate steps

are not taken to dislodge the Chinese troops occupying Indian soil in NEFA and Ladakh areas, "it certainly will become a hundred-fold more difficult and more costly in all respects to do so later." One does not have to be a general of the calibre of our former Commander-in-Chief to realise the truth of what he has said, and yet Mr. Nehru contents himself with the observation that defence measures are being taken and the question is being tackled at the diplomatic level too.

In pronouncements such as these what is left unsaid is sometimes much more important than what is said. And Mr. Nehru refused to give the one assurance his countrymen need most at this juncture—that his Government will see to it that the Chinese are driven out from the areas they have occupied in Ladakh and NEFA. To say that India would not tolerate aggression does not amount to much in the face of the fact that she has been tolerating it for the last five years.

The facts of the situation are simple enough. We are not even a third-rate power, like Belgium or Holland, from the point of view of armed might. And China, as Mr. Nehru himself reminded his audience in the course of his speech at Delhi, had received considerable material—and he might have added, military—aid from the Soviet Union. To man-power there is no limit in that country of over 600 million people. But, as Mr. Nehru truly said "the smallness or bigness of countries is not measured in terms of length and breadth or the number of their people." Nor is it "ultimately determined by the united strength of the people," as he maintained, and even "the tremendous unity in the country" to which he referred confidently, cannot face the danger of border attacks. It is a military problem, pure and simple, and has to be faced militarily, regardless of what our foreign policy has been based on for the last some years. In fact no sensible man can deny today that these border attacks are the direct result of our policy of non-alignment, which has proved to be a treacherous will-o'-the-wisp.

RUSSIA REFUSES TO CONDEMN CHINA

At a time of national humiliation Mr. Nehru has the cheek to say that "India is the one country in the whole of Asia which walks with her head high in the world without bowing it before any one," and that the only result of a policy seeking military alliances with others for defending India would be to "jeopardise our freedom and shatter completely our place in the world." The begging bowl which accompanies our touring Finance Ministers apart, our place in the world has been completely shattered already, but it is not quite clear how our freedom will be jeopardised by military alliances. When Pakistan was born, Jinnah had to lament: "We are surrounded by enemies all round." Today Pakistan is a powerful country with a host of powerful friends. Who can deny that it is a free country? The position has, indeed, been reversed and it is our turn now to say—thanks to

Mr. Nehru's policies—that we are surrounded by enemies on all sides—so much so that the Defence Minister has publicly given expression to the fear that if we despatch all our troops to resist the Chinese on the north, Pakistan may pour her troops from the west.

In the course of his speech at Delhi, Mr. Nehru gave the broad hint that, besides the defence measures, the question was being tackled at the diplomatic level too—after five years of aggression! China having laid her cards on the table as rudely as she could, and having followed it up with military measures, all that seems to remain for Mr. Nehru is to use the good offices of Mr. Khrushchev to bring pressure to bear on the Chinese to halt the offensive. Much is being in New Delhi of the hope expressed in Moscow that Sino-Indian differences would be resolved amicably and peacefully and that the Russian papers have published the Indian version of the Ladakh incident alongside the Chinese without taking sides. But in a matter like this, not to condemn aggression is to take sides, and Soviet Russia has failed to condemn Chinese aggression on Indian borders, although, as Mr. Nehru said, there could be no doubt now that the Chinese intrusion into our territory was calculated and planned. (That for any one who had seen Chinese maps should have been obvious from the very beginning—at any rate since they started building a road in Ladakh.)

And how can Soviet Russia, after swallowing the three Baltic states, Poland, Czechoslovakia, Rumania, Bulgaria and East Germany, seriously advise China to forget the demands of international communism and not to imitate her own example? Surely, what is sauce for the Russian goose is sauce for the Chinese gander.

But Mr. Nehru is a wishful thinker *par excellence* and it is obvious that he pins his hopes on Mr. Khrushchev without taking into account the possibility—which on the face of it in this case is much more than a probability—of China and Russia playing with divided cards. They have their roles cut out and mutually agreed. The Chinese press does not report the speech of Khrushchev at the Russian Parliament for a day or two. When the Russian leader left Peking he was very serious. Very impressive for credulous minds this array of facts revealing, as it were, the rift in the Sino-Russian lute. But even if it were true, what can Soviet Russia or Mr. Khrushchev do except plead (or pretend to plead) for Mr. Nehru and make it appear to the World that, but for the restraint advised and insisted upon by Moscow, the Chinese aggression would have been much more serious—while all the time the only objective before Moscow can be to prevent Mr. Nehru giving up his policy of non-alignment in despair, as it promises to be of the greatest possible help to China in particular and international communism in general. Those who have been intimate with India's leaders know that none of them were or are half so gullible or could

be so easily duped as Jawaharlal Nehru.

FRUIT OF NON-ALIGNMENT

The Chinese aggression revolves round our policy of non-alignment. We give it up today and Chinese aggression will cease tomorrow. But Mr. Nehru has categorically declared: "So far as I am concerned I will oppose the move to abandon that policy with all my strength." He would not have us escape from one danger to invite another. But what is the other danger? We are entitled to know it. American troops poured into Lebanon at the request of its Government and cleared out as soon as they were asked to do so by the country's government. One cannot imagine in the present context anything more foolish than the observation that "nobody can save us except ourselves."

Even if the whole country is united like one man against China that unity will not be able to save India. What can unity do against the compelling force of modern arms? We had to surrender to Muslim League rioters and agreed to the division of the country. And now we are talking in the same old vein with reference to a ruthless foe possessing the biggest army in the world!

It should not be forgotten that our policy of non-alignment is truly national, supported as it is by all parties. That shows how hollow our patriotism is. We cannot be pro-Indian for fear of being dubbed pro-American. We may not save India for fear—the remote fear—of the U.S.A. changing her mind to exploit the poverty of India in a mood of absentmindedness regarding her own immense wealth.

Secret Sino-Pak Plot To Grab Kashmir!

Attack In Next Winter

REPORT FROM LADAKH

WHILE the Pakistan President, General Ayub Khan is reported to have said at Karachi that "India and Pakistan can no longer afford to face each other with loaded revolvers", reports are available from Srinagar which reveals the existence of a tacit understanding between Pakistan and China, in so far as their plans regarding the occupation of Kashmir territory is concerned.

Reports received from certain special sources operating on Sino-Indian border areas in Ladakh and neighbouring regions reveal that some high-ranking military officials of China and Pakistan were seen together at several places in the Chinese occupied area of Ladakh and also in the Pakistan-occupied area of Gilgit. These officials of the two countries are reported to have held several conferences at various places during the past few weeks.

The meetings of the army officials are said to have been preceded and followed by a series of secret meetings at Peking and Karachi between the diplomatic representatives of the Governments concerned, specially deputed for evolving a scheme to serve the interests of both countries. The negotiations, it is said, were conducted only by a couple of top diplomats from either side who were in the strictest confidence of the highest authorities in their respective countries.

DIVISION OF KASHMIR PLANNED

It is understood that as a result of these top level secret talks, the Governments of Pakistan and China have agreed to divide between themselves the Indian territory of Kashmir which they intend to occupy in the near future. The two Governments are reported to have come to a settlement regarding the demarcation of the areas of Kashmir State that would be attacked and occupied by each

country. According to this reported agreement, the first phase of Pak-China joint venture provides for the annexation of the areas of Gilgit, Ladakh, Leh and Kargil by China and the occupation of the health resorts of Sonamarg, Gulmarg, Yusmarg and Ferozepore Nallah by Pakistan.

It is understood that Pakistan has agreed to hand over to China the entire area of Gilgit and neighbouring parts of the Kashmir territory which came under her occupation as a result of the 1947 invasion, and China has assured Pakistan that she would give her every assistance to occupy other areas in which the Chinese Government was not interested.

MULTI-PRONGED ATTACK TO BE LAUNCHED

It is further gathered that as a result of the reported alliance between Pakistan and China, both countries are in constant touch with each other and elaborate preparations are being made to launch a multi-pronged attack against the Indian territory of Kashmir.

While the time of starting the simultaneous operation is kept a closely guarded secret by both the Governments, the observers claiming sufficient knowledge of the Pak-China activities across the border seem to be of the view that unless something is done by India to foil the secret plot and to forestall the action of Pak-China allies, the multi-pronged invasion on Kashmir might be launched sometime in the forthcoming winter. Latest reports indicate that while the lines of communication between various areas of operation on the Sino-Indian and Indo-Pak borders are being established at a terrific speed, a large number of Chinese and Pakistani guerillas are under-going joint training at various centres in the mountainous region.

—Malabar Herald

Tibet Agitates India

By Shurokh Sabavala

THE Chinese Communist suppression of Tibet continues to agitate Indian public opinion. A two-day all-India convention on Tibet, held in Calcutta just a few weeks ago, authorized its president-Praja Socialist leader Jayaprakash Narayan—to set up an Afro-Asian committee to mobilize public opinion in Asian and African countries so that “Tibet may be helped to exercise its right of self-determination.”

As a result of the convention, the fiercest battle of the cold war ever to erupt in India raged in the streets and newspapers of Calcutta. The Communists staged a counter-convention. The city police had a tough time keeping the volunteers of the two conventions apart, as each tried to pull down the flags, slogans and posters of the other. There were marches and counter-marches, and huge public meetings at which speakers attacked and defended China's role in Tibet.

The convention had been called by leaders of the ruling Congress party, the Praja Socialist party and the Hindu Jan Sangh. It was planned as a reply to an earlier Calcutta meeting of the Indian wing of the Afro-Asian Solidarity Committee, a fellow-travelling organization which received a goodwill message from Chinese Communist Premier Chou-En-lai even as the Dalai Lama was fleeing the Tibetan capital of Lhasa. Attempts to discuss Tibet at that meeting were howled down by a carefully hand-picked Communist audience.

In order to keep the record straight, prominent Calcutta citizens, including a former chief minister of the state and the vice-chancellor of the University of Calcutta, invited the democratic political parties to send representatives to a discussion of the events on India's borders. Their purpose was to present “the naked truth” both to the Indian people and to their Asian neighbours.

After two days of studied discussion, to which the Dalai Lama's representatives listened with grave attention, the convention passed two resolutions. The first stated that “the Tibetans have the same claim to the right of self-determination as any other nation of the world, because racially, linguistically, ethnically and culturally they are different from the Chinese-nation according to all proven standards of nationality.”

The second resolution was an oblique censure of the Indian Government. It detailed the violent and subversive steps which led to the 1951 Sino-Tibetan agreement, and it sought to prove that Peking forced this agreement on an unwilling Tibetan people,

with India's approval and support. This resolution has been the subject of widespread comment in the Indian press, especially as it more or less coincided with disclosures of correspondence between New Delhi and Peking, which did not put the former in a particularly good light.

The convention may not have done the Tibetans much good, but it helped many Indians to view their Government's foreign policy objectively and without emotion for the first time since, 1947. It also enabled Indians who are under direct Communist rule in the south Indian state of Kerala—begin an all-out ouster movement of the state's Communist Government, the effects of which are being felt at this very moment.

Another consequence of the convention and the storm it raised was that it helped reduce Sino-Indian diplomatic relations to bare formalities. Prime Minister Jawaharlal Nehru has even complained that he is faced by a “wall of silence” from Peking, to which several Indian newspapers have replied: “Thank God. We no longer need to be led up a path strewn by Mao Tse-tung's hundred withered flowers.”

A significant feature of the convention, aside from the fact that it got people with diverse and even antagonistic views on the same platform, was its symposium on Communism and imperialism. Hitherto, when Indians talked of imperialism, they invariably referred to the sins of the former colonial powers of the West. The symposium highlighted the facts of Communist imperialism as practiced by Russia and China and showed it to be a direct threat to the Asian Countries' right of self-determination.

It was not long after this symposium that Indians began to discover that the Communists in their own midst are also a potential menace. The press began reporting Indian Communist activity on the Indo-Tibetan border; one North Indian journal claimed a direct contact had been established by Communists from the state of Punjab with the Chinese Army in Tibet.

In Bombay, a demand has been voiced for an investigation into the withdrawals of large sums from foreign banks by the Indian Communist party. In Kerala, it is said that these withdrawals are helping to pay for the special plain-clothes police which the state Government is using to counter the anti-communist demonstrations. The recent convention has had the salutary effect of re-emphasizing these aspects of the Communist menace.

—New Leader

The Indian Libertarian

Economic Supplement

Capital Accumulation And Economic Development

By Prof. G. N. Lawande, M.A.

ECONOMIC development of underdeveloped countries has become an important objective among all nations in the post-war period and it has been realised that unless poor countries are developed, there is no possibility of curbing the menace of Communism in Asia and Africa. But there are various obstacles in the path of underdeveloped countries; the most formidable one is the lack of capital. The main characteristic of underdeveloped countries is that they have abundant supply of natural resources and unskilled labour, but they are deficient in capital. This is mainly due to the fact that about 70% of the population derives their livelihood from agriculture. As a result of this, the only way by which economic development of the poor countries can take place is by the external assistance, but foreign aid alone will not solve the problem of underdeveloped countries. It is necessary to create an appropriate environment for development and this task will have to be performed by the underdeveloped countries themselves. Development is hampered by the limited resources of domestic capital available for investment in most underdeveloped countries. This is not only due to the low level of national income, but also due to inadequate machinery to encourage savings and channel them properly. Major requirement for development is the accumulation of capital. This is not the same thing as the expansion of money supply. This involves an increase in the volume of real savings which may be claimed by the investors. To achieve this, there is a great need of a strong financial structure to influence the mobility and allocation of capital and to change savings into investment. Mere existence of channels of finance cannot increase the level of capital formation. At present our leaders are attempting a ruinous path to increase capital accumulation by means of deficit financing but capital accumulation through deficit financing has generated inflation. "The two components of capital formation—saving and investment depend on thrift and enterprise; there is nothing to prevent collective thrift from being combined with individual enterprise". Government's fiscal policy should be directed towards maximising savings and mobilising them for productive invest-

ment and canalising them into direction that will best serve the objective of a balanced development program. But the present fiscal policy of our planners is certainly detrimental to increase our savings and this has been worsened by the Kaldorian innovations which hamper the accumulation of capital. Our fiscal policy instead of curbing inflation is encouraging it and this is a stumbling block in the path of economic development. In order to obtain larger revenues, number of taxes have been imposed and these have curbed the incentives to invest and increase capital accumulation. To increase capital formation there must be proper balance between short term revenue raising measures for financing urgent development projects and long term tax reforms which will give a steady encouragement to economic development over longer period. Present tax system in our country has thrown to the winds the basic principles of public finance—namely equity and social justice, simplicity and certainty and negative effects on incentives.

The problem of capital formation in underdeveloped countries would not be solved even if there is perfectly elastic supply of money unless additional real savings are created. Monetary expansion would lead to inflation. As a matter of fact the cost should be measured in real terms and not in money terms. The real costs are those by means of which the resources are properly mobilized to carry out the development programme and additional goods and services for which more demand will indirectly be created through development expenditure. Thus the basic problem is not merely increasing the supply of money but that of raising the supply of real output. Due to confiscatory pattern of taxation that is adopted in our country by our present rulers wedded to socialist pattern of society, output instead of increasing has actually tended to fall with the result that price level has tended to rise of basic necessities. Expansion of money cannot overcome the physical deficiency. What is needed is the real capital which is ultimately based on additional savings and productive investment. Savings would have increased if the real wages had increased but due to inflationary spiral

it is not within the means of the common man to increase his savings. Whatever amount he gets in the form of wages he spends on the food supply whose prices have gone up in recent times due to deficit financing. A major part of the income of the middle class people is spent on food and this very fact hampers accumulation of capital. Present savings in poor countries where the population is growing are to maintain the present level of capital per worker. If this ratio is to be increased, then the industrial activities should be extended and better and efficient methods of production are to be introduced, but as long as private enterprise is regarded as "jungle of law" there is no prospect of increasing the stock of capital within the country and our plans will have to rely mainly upon the savings of the foreigners. Capital accumulation cannot take place when the ruling party is bent upon "trimming the claws of rich people and blunting their teeth". To give equal power to all, the weak and the strong, those with "sharp claws and fierce teeth and others who had smaller claws and feebler teeth" is to distribute poverty rather than prosperity. In underdeveloped country, capital accumulation can take place only if free market economy is practised on the same lines as it was adopted by Western Germany. Planning means a path to poverty even though it was regarded by our Prime Minister as "horoscope of the 40 cores of people in India".

What is needed at present is a rate of increase in per capita real income and for that marginal capital output ratio i.e. rate between investment and resulting increase in production should be applied. To achieve this objective, excess workers out of agriculture should be moved and certain amount of increase in capital equipment made available for all workers. In undeveloped countries where population is increasing faster than the rate of economic development, the actual saving rate is about 5% which must be raised to 15 or 20%. Capital should be used to open up new natural resources that will increase output very greatly. Mere increase in investment will not increase real output. Investment should be made to make use of the previous unutilized resources so that increase in goods and services may be increased. That will remove the bottlenecks and a small increase in capital may result in a relatively large gain in labour productivity. If the economies of the poor countries are to march ahead to achieve a rapid development, then the level of net investment must rise from the present 5% to 15% a figure of richer countries. According to some, this can be achieved by leading a life of austerity i.e. by restricting consumption to raise savings or by imposing new taxes. This method is untenable as the large section of the population is leading a miserable life. As a matter of fact they lead a sub-human standard and to decrease their consumption is to make them more and more inefficient from the point of production. New taxes will allow the government to force savings and reduce disposable income. This method

may increase involuntary savings but they (new taxes) will certainly reduce the voluntary savings as the people may try to maintain their previous standard. Again if the new taxes will destroy the incentive of the wage earners to work harder or if the taxes on profits will reduce the incentives to save and to make investments in new enterprises then the forced savings will not be an unmixed gain. What is required is a new tax system which will counteract inflationary effects of development spending, that will not destroy incentives and not violate the notion of equity. At present our government has raised number of taxes in order to obtain large amount of revenues with the result that incentives of the people to work hard and to invest in new enterprises has been greatly reduced. Secondly a greater amount of collected revenues is spent on heavy industries. This has resulted in the scarcity of consumer goods and a rise in the price level which has affected adversely the rate of savings and accumulation of capital. The small saving scheme is a total failure to mobilise the savings of the poor people. The most general criterion of investment is productivity. The investment must be of productive character if it is to be conducive to further development. The investment should be made in which social marginal productivity is the highest. In other words, the investment should be allocated in such a manner that the ratio of output to investment is maximised. It is not necessary that attention should be focussed on particular sector only because investment in one sector will have effects on other parts. Investments should be made on broad front in order that various parts of the economy can move forward in balance. From the point of balanced development of the economy an increase in non-agricultural production will also require an expansion of agricultural production. Agricultural and industrial development are complimentary and not competitive and this simple truth has been completely ignored by our Planning Commission in formulating the Second Five Year Plan with the result that from the very beginning there is a scarcity of food supply, which has retarded the economic growth of the country. The rate of industrial development is largely dependent upon parallel agricultural development. If employment is increased in non-agricultural sector as a result of more investment there will be greater demand for food from these additional workers. Supplies of food must be increased and a failure to increase agricultural output or develop agriculture at the same time, as the non-agricultural sectors are expanding, will likely lead to inflation. This is what has happened in the Second Five Year Plan. So there is a need of balance between investment between agriculture and industrial sectors of the economy. Thus it is apparent that capital accumulation is not feasible unless proper steps are taken to achieve a sufficient supply of food to meet the increasing needs of the increasing population. For this we must select a proper production technique, i.e. whether an underdeveloped country

should adopt capital intensive or labour intensive methods. In a poor country the social price of labour being very low or rather zero compared with a price of capital, a high ratio of labour to capital will be preferable. In other words, labour intensive rather than capital intensive methods should be used. If the wages of the employed are rising, then distribution of income and the effects on per capita income should be considered. From the point of income distribution labour intensive projects may be preferred since it would raise the income of the relatively large number of low income workers. From the point of per capita income, labour intensive methods may be less preferable, for it will stimulate population growth with the result that per capita income remains the same or even reduced below its initial level.

It is recognised that accelerated development in

poor countries is in the interest of the richer countries. Rich countries can help the poor countries to maintain the balance of payments equilibrium by reducing the trade barriers against imports from the poor countries and by adopting measures to stimulate a capital flow to those countries. Balance of payments problem can be mitigated to the extent that full employment is maintained overseas, fluctuations in primary product prices are reduced and a high rate of development is maintained in industrial nations.

So the economic development of poor countries is mainly based on the accumulation of capital within the country by a proper fiscal and monetary policy. Under the present conditions in our country the most appropriate policy to be followed is the free market economy and not controlled economy as is followed by our leaders.

New Policy of Monetary Control

—:0:—

TWO years ago the British Chancellor of Exchequer had appointed a committee under the chairmanship of Sir Radcliffe to report on the structure and working of the British monetary system. The Committee has produced a report after going through impartially the working of the British monetary system. This Report is certainly a great improvement upon the outdated report prepared by the Macmillan Committee in 1931. That Report was based on the idea of stable exchange rate which was not accepted unanimously by all members. The chief merit of this new report is that it is unanimous and secondly it is based on the tolerance of approach to this difficult subject and an omission of positive recommendations. The most outstanding point of this report is that instead of studying the working of the monetary system, it points out the weaknesses as well as virtues of the monetary system to draw a number of important conclusions.

The Radcliffe Committee finds that the aims of the economic policy are various and complex but it begins by analysing the objectives of the monetary policy and according to it they are as follows:— the maintenance of full employment; the maintenance of the external value of the pound; improvement in the standard of life and the building of external balance on the balance of payments in order to facilitate overseas lending and to strengthen the external reserves. In these objectives nothing is mentioned about the stable exchange rate but the Committee is under the impression that it is highly desirable and it is bound up with the other objectives. It may not be possible to achieve all

the objectives without taking into consideration the stable exchange rate but it may be a matter of government policy, decision about which must be taken in the light of external obligations and impact on the internal objectives. The Committee is of the opinion that none of these objectives or aims can be pursued in isolation from others. So there is not a single aim that the monetary policy can be conditioned and balance has to be struck between them. The responsibility of striking the balance must lie according to the Committee with the Government and not with the commercial banks and the Central Bank.

After stating the aims or objectives of the monetary policy, the Committee then says that the Government should be responsible to achieve those aims by proper measures. These measures may be of three different kinds, namely, monetary measures, fiscal measures and direct control. The Committee has not considered the last two measures and concentrated only on the first namely monetary measure. It makes it clear that these measures have their own advantages as well as disadvantages. In the monetary field the Committee has opined that the authorities should try to work through interest rates rather than by quantitative controls, either of supply of money or of particular forms of credit. It says "no method, new or old, provides the remedy for all our troubles. We do not find any solution of the problem of influencing total demand in more violent manipulating of interest rates; we find con-

(Continued on page IV)

Socialism And Capitalism

By Fred G. Clark and Richard Stanton Rimanoczy

1. Socialism claims to be in opposition to capitalism.

What is Capitalism?

Basically, it is the economic system under which the tools of production are not owned by the people who make their living using them.

In modern times, every progressive country must practice capitalism for the simple reason that the enormous cost of modern tools requires pooling the savings of thousands of people.

This is just as true in socialist nations as it is in the United States.

The difference lies in the method.

Under Capitalism savings are invested voluntarily.

Under Socialism, the savings are taken from the people through compulsory purchase of government bonds.

So our kind of capitalism could be called voluntary Capitalism, and socialist capitalism could be called Compulsory Capitalism.

2. Let's look at it from three other angles:—

First, our tools are owned by private individuals.

In Socialist nations the tools are owned by the State.

Ours, therefore, could be called Private Capitalism, and that of the socialists could be called State Capitalism.

Second, our tools, and the people who use them, are managed by men who earned their positions on merit.

In socialist nations management consists of political appointees.

Our capitalism, therefore, could be called Merit Capitalism" and that of the socialist nations could be called "Bureaucratic capitalism."

Third, under our capitalism the products of a given company must be sold in competition with the goods of many other companies, and the customer has wide freedom of choice.

(Continued from page III)

trol of supply of money to be no more than an important facet of debt management; we cannot recommend any substantial change in the rules under which the banks operate; we do regard the capital issues control as useful, in ordinary times; and we believe that there are narrow limits to the usefulness of the hire purchase controls. . . . our conclusion is that monetary measures cannot alone be relied upon to keep in nice balance an economy subject to major strains from both within and without. Monetary measures can help but that is all." In the opinion of the Committee the changes in the interest rates will not have a significant effect on spenders and lenders and especially on financial institutions.

Under socialism, the goods are produced on a monopolistic basis; there is no competition; the government sets the prices; and the customer must be satisfied with what is offered.

Our capitalism, therefore, could be called "Competitive Capitalism" and that of socialist nations could be called "Monopoly Capitalism."

3. Socialists, when put in a corner, admit that they practice capitalism, but claim that their form is better because ours is "capitalism for profit" while theirs is "capitalism for use," meaning "capitalism without profit."

We can see that this is utter nonsense by simply looking at the costs which are inescapable in any modern tool-using society.

They are:

1. The cost of natural resources.
2. The cost of human energy (payroll, benefits, etc.).
3. The cost of taxes.
4. The cost of tools wearing out, (depreciation, depletion, obsolescence, etc.).
5. The cost of using the tools, (profit) which must be collected for the people whose money bought the tools.

These five costs are all the costs there are and, in any growing economy, all of them must be paid by the customer.

In America, profit costs the customer less than 5 cents of each sales dollar.

In Russia, the world's leading socialist economy, this cost amounts to at least 15 cents of each sales dollar.

When American Industry pays out profits they are called dividends.

When the Russian government pays out profits they are called interest on government bonds.

4. The most direct comparison between the benefits of socialist capitalism and private capitalism may be observed in Berlin.

The West Germans practice private capitalism; the East Germans Practice socialist capitalism.

West Berlin is a bustling, happy, attractive, prosperous city, with store windows teeming with high-quality low-cost goods; East-Berlin is a dreary, drab, abject poorhouse.

That is the chief reason why the Communists are so desperate to get control of West Berlin—they cannot face this dramatic and damaging comparison between their kind of capitalism and that of West Berlin.

To save face they must destroy this magnificent showcase of freedom. Those who cannot tolerate the torture of Communist system leave their country. Uptill now 12 million Germs have crossed from East Germany to West.

For this reason, the diplomatic struggle for Berlin is the most important issue in the world today.

Cariappa Says the Last Word

(From Our Correspondent)

The capital is feeling grateful to General K. M. Cariappa for his forthright statement on the Chinese aggression. This former Commander-in-Chief of India is no pen-pusher bringing out his wooden horse and writing big things in anger, as the Prime Minister recently complained about journalists who have never ridden a real horse, unlike Mr. Nehru. The truth of some of the statements the General made in the course of an interview at Delhi on October 31 has been obvious even to laymen giving some thought to the problem and could not have escaped the mind of our Defence Minister, provided he has been giving some thought to the problem of India's defence and territorial integrity.

Who can deny that if immediate steps are not taken to dislodge the Chinese troops occupying Indian soil in NEFA and Ladakh areas, it will, as Gen. Cariappa says, become a hundred-fold more difficult and more costly in all respects to do so later? And that, as he further said, "delay and hesitation on our part to act will encourage the Chinese to take more liberties, to keep on making more claims on our territory and to send forward more troops across our frontiers"? This has actually been happening and to say that there is "extraordinarily little sense in it," as the Prime Minister did at the Press Conference on November 5, is to ignore facts and realities as well as probabilities and certainties. No wonder that, under the circumstances the question to the Prime Minister "when did you discover it?" (regarding his observation that the General is completely off the track mentally and otherwise) evoked loud laughter.

"TIME TO ACT NOW"

Our Prime Minister's Hamlet-like hesitation on matters which do not concern him personally is so well-known throughout the world that the Chinese must have been banking on it. His silence over their aggression, extending not to weeks or months but to years, must have convinced the Chinese war lords that their strategy was sound and that their dependence for the success of their adventure on this Hamlet of India was not unwarranted.

Gen. Cariappa must have been prompted to give the interview he did by the use made of the Army Chief of Staff by the Prime Minister at the Conference of Governors held recently in New Delhi. At such a conference, which the Army Chief was asked to address by the Prime Minister, the former could not naturally have covered the whole ground or have come out with the whole truth regarding the border situation. He must have confined himself, it is argued here to one or two points which would go to support the Prime Minister's stand. Can any one expect the Army

Chief to go out of his way, at a Governors' Conference in which he is participating at the request of the Prime Minister, to attack his Prime Minister and give his expression to his differences with him? That is exactly what it would have come to, had the Army Chief said anything which could not be interpreted as strengthening Mr. Nehru's hands at this critical juncture, or which could be interpreted as undermining the contradictory position Mr. Nehru has taken up regarding the Chinese aggression.

"The time has come to act," said Gen. Cariappa, "the Chinese troops on our soil must be made to get back," adding, "Our country's honour is at stake, to preserve which no sacrifice can be too great to any Indian." The Chinese aggression, as anybody can see, has serious political implications, which our Prime Minister refuses to realise, although they are staring him in the face. He has been saying that the Chinese aggression has nothing to do with Chinese communism. "But to me as a soldier," says Gen. Cariappa, "it has military implications also and I do not see how the two can be separated." The two can be separated only at the cost of the country and by refusing to consider the defence problem of the country as its PROBLEM NUMBER ONE. Our problem number one is not the defence of India. It has never been so in the history of our country, otherwise we would not be holding the world's record in slavery. Our problem number one is the lessening of tension in the world, as if the Chinese aggression does not add to it, and to that problem Mr. Nehru devoted a good deal of his time at the Press Conference.

JOINT DEFENCE

Abuse of the British, who made a gift of independence to us, has been a good and powerful substitute for patriotism—it has at any rate paid good dividends in popularity among an ignorant people—but the present crisis should recall the stand taken by the British Defence Minister, who was one of the members of the Cabinet Mission which came to India to settle the terms of handing over the country to Indians. To hide the fact that Pakistan is the creation of Congress leaders, it has been dinned into our ears that Pakistan was created by the British in pursuance of her policy of divide and rule, while the fact was that the British were interested in containing Russia. The British Defence Minister had only one point to emphasise to those who wanted Pakistan. "Have Pakistan if you must by all means," he used to say, "but have a joint defence. That is necessary for defence in depth without which defence of neither India nor Pakistan would be possible."

There was no Communist China then and the reference was obviously to Soviet Russia, but the coming into being of Communist China redoubles the force of the British Defence Minister's observation. That is exactly what Gen. Cariappa has to say now: "Pakistan and India should arrive at some settlement for defending the sub-continent jointly, as the defence problem of India and Pakistan is indivisible." That, of course, points to the need of solving the Kashmir question which will release a large section of our armies for defence against aggression from the north. Judging by the reaction in the public mind, this 500-word interview of Gen. Cariappa has made a greater impression than all the speeches of the Prime Minister on the Chinese aggression put together. It would appear high time for Mr. Nehru to create a small defence body to tackle the problem and have men like Gen. Cariappa on the same, instead of allowing grave issues to be decided by his changing emotional moods. The cleavage between the military and the political sides should not be allowed to grow in the interests of the country. It started with Mr. Menon's row with the Army Chief and no one should ignore the fact that men of the defence forces have their own minds with which to think and they can hardly concede that politicians can think better even on the country's defence problems. It would be unnatural and unjust for any one to expect them to think otherwise.

STUDENTS DEMONSTRATIONS

One immediate result of the interview given to the Press by Gen. Cariappa was the hastily organised "Throw Back Aggressors Day" by the All-India Students Congress. Apparently the students who have been giving more time to discussion among themselves on the Chinese aggression than to their studies (and who can blame them?) do not agree with the Prime Minister that Communism has nothing to do with the Chinese aggression. For, among their chief slogans was "Death to the Red Devil." "India is not Korea or Tibet" was another. More expressive of their mood was the slogan "Jo humse takraega choor choor hojayega". (He who clashes with us will be blown to pieces). As if to indicate whom they meant, it was followed by "Cheenee Bachcha hai hai". A batch which passed the Communist Party Headquarters was heard crying "Toady Bachcha hai hai." The students may not have been aware of it, but this slogan of the British days is applicable to a very wide circle in the ruling party and augurs ill for the Prime Minister's hand-strengtheners.

Some representatives of the demonstrators went to the Prime Minister's office at the External Affairs Ministry to hand over a memorandum requesting him to "act now", following Gen. Cariappa's advice. It drew his attention to the sense of humiliation in the youth of the country and requested him to make fool-proof defence arrangements and form a national defence committee to evolve a united defence policy. This is not exactly a vote of con-

fidence in the Prime Minister and will doubtless make him think furiously regarding the advisability of equating the docile Congress Party with the country or of trying to eliminate Communism from critical references to the Chinese. What the students shout today, howsoever vulgar their slogans may be, the country may shout tomorrow. At any rate they have found some forceful slogans which will carry the anti-Communist parties in the country far—much farther than Congressmen are apt to imagine in their complacency or in their pride in their leader which is not now shared by the rest of their countrymen.

PRIME MINISTER'S PRESS CONFERENCE

At his monthly Press Conference on November 5 the Prime Minister gave expression to his "deep disappointment" at the Chinese attitude and admitted that his China policy had suffered a setback. India's foreign policy, he maintained, had otherwise been basically vindicated by the efforts being made elsewhere in the world to secure a relaxation of tensions. In other words, his policy had failed vis-a-vis neighbouring countries but had succeeded in far-off lands.

Mr. Nehru has been condemning the cold war so frequently that it is necessary to examine whether his condemnation of it has any sense. Every student of current history knows that the cold war was started by the western bloc to prevent Russian expansion westwards after Soviet Russia had subjugated or annexed the Baltic States, Poland, Czechoslovakia, East Germany, Rumania, Bulgaria, etc. NATO was formed to tell Russia: Thus far and no farther. What was wrong in preventing farther Russian expansion and subjugation of other lands? It was natural for the Communists to condemn the cold war. But on what grounds could an anti-colonialist, like Mr. Nehru, condemn the cold war?

A CONTRAST

It is true that there has been a relaxation of tension between Soviet Russia and the western bloc. The reasons therefore should be obvious to any newspaper reader not suffering from lapses of memory. Mr. Khrushchev emerged as the dictator in Russia after Stalin and started hurling threats at the West with PEACE on his lips. He declared the Russians would clear out of the part of Berlin under their occupation by a certain date and hand it over to the East German Government, their stooge, and it will then be for the East German Government to secure the liberation of the rest of Berlin. The NATO powers stood up to the threat and defied Khrushchev, saying that they were not prepared to enter into any negotiations with Russia on the German problem under duress—that is, until the threats which the Russian leader had become accustomed to hurl at them had ceased altogether. The threats ceased. The Communist bluff was called. That was a victory for the cold war and for NATO. Thus the relaxation of tension is attributable entirely to what Mr. Nehru

has always been condemning—cold war and military alliances.

On the other hand, Mr. Nehru's policy of non-alignment has encouraged China to make encroachments on Indian territory, with the result that Mr. Nehru, who has always been condemning the cold war, has had to start a cold war of his own against China for the very reason it was started against Russia. "It is for the Army to consider the situation in Ladakh," he says, "and decide on the steps that should be taken." He says the country should trust in conciliatory policies but "keep the powder dry". Reaffirming India's peaceful attitude, he says "that does not and cannot preclude us from taking such military action as the situation may demand ultimately". What is all this if not cold war, even brink of war? And if it is not couched in the most unambiguous language, so much the worse for the country, for wars generally start with miscalculation?

"Do you expect any country, big or small,"

asked Mr. Nehru, "to help me face the situation in the high mountain borders?" The answer to that is an emphatic "yes," provided he also is under an obligation to help that country in time of her need—that is, provided there is a military alliance. The mere fear that a powerful nation will come to our aid if we are attacked is enough to deter the aggressor. That is plain commonsense. Now that the Prime Minister has started the cold war against China—and it should be remembered that cold war does not decrease international tension but increases it—the next step will be welcoming military aid. That is as certain as night follows day. Answering a question whether he ruled out in all circumstances foreign military assistance to face the situation created by the Chinese attacks, Mr. Nehru said: "Who am I to commit the future?" Indeed, necessity knows no law, but the part of wisdom is to anticipate events and guard against them, rather than wait on them and risk India being made a battle-field in pursuit of silly shibboleths.

THE WORLD OF BOOKS

The Meaning of Alienation

By Daniel Bell

(Being some Notes along the Quest for the Historical Marx)

IN Sidney Hook's pioneer account of Marx's intellectual development, *From Hegel to Marx*, published in 1936, the word "alienation" does not occur once in the text. In Jean Yves Calvez's comprehensive *La Pensee de Karl Marx* published in 1956, four hundred and forty pages (of a total of six hundred and forty) are devoted to the concept of alienation and its use in social and political analysis. More than simply a matter of two texts. Rarely, in the thirties, in the exegetical and expository writings on Marx, does one find a discussion of alienation; today, in the pages of the *English Universities and Left Review* the *French Arguments of Dissent*, and, in the philosophical journals, almost all the discussion on Marx revolves around that theme. How account for this change?

It is not, of course, that Hook, one of the best students of Marx, was unaware of the idea of alienation and the role it played in Hegelian thought. Hook was among the first to examine the early philosophical—and in Marx's lifetime and for forty years after, unpublished—manuscripts on which the contemporary discussion of alienation draws. And he had, in patient detail, related Marx's thought to his contemporaries; to Feuerbach, who, in his discussion of religion had gone farthest in the use of the concept of alienation; to Bruno Bauer, who had emphasized the critical element in philo-

sophy; to Moses Hess, who had suggested the humanistic elements in Communism; and to the other young Hegelians for whom the relationship of freedom to necessity was a paramount problem. But the intellectual problem for Hook, as it was for all "classical Marxists" was first, a defence of the idea of materialism—and this Hook sought to do by reading Marx as a naturalist—and second, to solve the "contradiction" between the social determinism, (i.e., the shaping of consciousness by existence), with class teleology, (or the instilling of purpose into the workers from the "outside")—and this Hook sought to do by reading Marx as a pragmatist.

For Marx (though not for Feuerbach), the concept of alienation as we understand it today, of a loss of relatedness to meaningful experience, was an abstraction empty of meaning unless it was related to the processes of exchange and the extraction of surplus value from the worker. This was the answer to the problem, propounded by Hegel, of what kept man from becoming free and thus to becoming himself. It was not, said Marx, the abstract dualism of subject-object in which man was both actor and thing, but the concrete employer-worker relation which prevented an individual from realizing his own freedom—and which hindered the growth of abundance, the only way of overcoming

"necessity."

Having found the "answer" to the "mysteries" of Hegel in Political economy, Marx promptly forgot all about philosophy. ("The philosophies have only interpreted the world differently; the point, however, is to change it," he scrawled in his theses on Feuerbach.) In 1846 Marx and Engels completed a long criticism of post-Hegelian philosophy in two large octavo volumes and (except for some gnomic references in the Critique of the Gotha Programme in 1875) neither of them returned to the subject until forty years later when Engels, after the death of Marx, was, to his surprise, asked by the *Neue Zeit* to review a book on Feuerbach by C. N. Starcke, a then well-known anthropologist. This review, slightly expanded, was published two years later in 1888 as a small brochure entitled *Ludwig Feuerbach and the End of Classical German Philosophy*. In publishing the review, Engels went back to some mouldering manuscripts of Marx and found the hastily scribbled eleven theses on Feuerbach, which he appended to the brochure. In the foreword, Engels alludes to the large manuscript (without mentioning even its title, *The German Ideology*,) and says that because of the reluctance of the publishers it was not printed. ("We abandoned the manuscript to the gnawings of the mice all the more willingly," wrote Engels, "as we had achieved our main purpose—self clarification.")

REACTION TO HEGEL

But it is also clear that while, as young philosophy students, the debates with the other young Hegelians were necessary for the purposes of clarification, as Marx and Engels became absorbed with economic and political issues, these earlier philosophical problems became increasingly unreal to them both. In a letter to his American translator, Florence Kelley Wischneweizky, in February 1886, Engels writes, apropos of his *Anti-Duhring*, "the semi-Hegelian language of a good many passages of my old book is not only untranslatable but has lost the greater part of its meaning even in German." And a Russian visitor to Engels, in 1893, A. Voden, found him incredulous when the question of publishing the early philosophical manuscripts was raised. In a memoir, Voden writes: "Our next conversation was on the early works by Marx and Engels. At first Engels was embarrassed when I expressed interest in these works. He mentioned that Marx had also written poetry in his student years, but it could hardly interest anybody. . . . Was not the fragment on Feuerbach which Engels considered the most meaty of the 'old works' sufficient?" Which was more important, Engels asked, "for him to spend the rest of his life publishing old manuscripts from publicistic works of the 1840's or to set to work, when Book III of *Capital* came out, on the publication of Marx's manuscripts on the history of the theories of surplus value?" And for Engels the answer was obvious. Besides, said Engels, "in order to penetrate into that 'old story' one needed to have an interest in Hegel himself,

which was not the case with anybody then, or to be exact, neither with Kautsky nor with Bernstein."

In fact, except for *The Holy Family*, none of the early philosophical writings of Marx were published either in his life time or that of Engels. Nor is it clear whether the major exegetes, Kautsky, Plekhanov and Lenin, were ever aware of their content. None of the questions of alienation appear in their writing. The chief concern of the post-Marxist writers, when they dealt with philosophy, was simply to defend a materialist view-point against idealism.

The contemporary "rediscovery" of the idea of alienation in Marxist thought is due to George Lukacs, the Hungarian philosopher, who did have an interest in Hegel, who in 1923 published a series of disparate essays under the title of *Geschichte und Klassenbewusstsein* (*History and Class Consciousness*). The idea of alienation, because of its natural affinity to romanticism, had already played an important role in German sociology, particularly in the thought of George Simmel. A teacher of Lukacs, Simmel first located the source of alienation in industrial society which destroyed man's self-identity by dispersing him into a cluster of separate roles, but later widened the concept to see alienation as an ineluctable clash between man's creativity and the pressure of social institutions (much as in Freud's later image of the inescapable tension between instinct and civilization). Lukacs, coming on to Marx after World War I, was able to "read back", from Marx unto Hegel the alienation of labour as the self-alienation of Man from the Absolute Idea—without even knowing of the early, unpublished, philosophical writings of Marx. The Kautsky-Lenin generation had construed Marxism as a scientific, non-moral, analysis of society. But in Lukacs' interpretation, Marx's economic analysis of society was turned inside out and became the work, as Morris Watnick put it, "of a moral philosopher articulating the future of man's existence in the accents of a secular eschatology."

Such a view, to the orthodox Marxists, smacked of idealism and Lukacs quickly came under fire in Moscow. Among the Communists the book was proscribed, although the work continued to enjoy a *sub rosa* reputation among the initiates in the esoterics of Marxism. When Lukacs fled Germany and took refuge in the Soviet Union in the thirties, he was forced to repudiate the work in an abject act of self-degradation.

Ironically, when the earlier philosophical works of Marx were unearthed and published, Lukacs had the satisfaction of seeing how accurately he had been able to reconstruct the thought of the early Marx. But this did not spare him from attack. The early philosophical writings, principally *The German Ideology* and the uncompleted *Economic-Philosophical Manuscripts*, were first published in full in 1932, in Berlin, in the *Marx-Engels Gesamtausgabe* (*Collected Works*) edited by D. Riazanov (who later disappeared in the purges). *The German Ideology* contains the most comprehensive

statement on historical materialism, while the **Economic-Philosophic Manuscripts** take up the question of alienation. Actually, other than some short discussions in **The Holy Family**, the only sustained discussion of the concept of alienation is in the **Manuscripts**, and even that form is fragmentary and indecisive.

THE NEW ZEITGEIST

In the *Zeitgeist* of the twenties and the early thirties—and it was to this that Hook was responding—these discussions on alienation seemed only intellectual curiosities. Since they were not deemed to be central to Marx's thought, they were largely ignored. In reading Marx's philosophical development of his later set of ideas, the evolution of historical materialism inevitably became the central theme.

Today, the *Zeitgeist* has changed. In Europe today a whole school of neo-Marxists, having abandoned historical materialism (which, in its doctrine of "progress" served to justify terror), have gone back to Marx's early writings and grasped the concept of alienation to find a basis for a new humanist interpretation of Socialism. Much of this has been influenced by existentialism, with its emphasis on estrangement, choice and engagement in action: much by the rise of revisionist philosophers in Eastern Germany (Harich), Poland (Kolakowski), and Hungary (the followers of Lukacs), who seek to emphasize the moral components of Marxism. And finally there are ex-Communists and Marxist philosophers, such as Edgar Morin and Lucien Goldmann in France, or Charles Taylor of the Universities and Left Review group in England, who see in the idea of alienation a new radical critique of present day society from a "post-Marxist viewpoint." The influence has been so pervasive that even a non-Marxist scholar like Pere Calvez, a French Jesuit, organized his entire reading of Marx—and his analysis of politics, economics and religion—in the categories of alienation.

While this is a fresh, and even a fruitful way of reading a criticism of society, it is not the "historical Marx". While one may be sympathetic to such an approach, it is only further myth-making to read this concept back as a central theme of Marx. As a political effort by revisionists still within the Marxist camp, it may still have some polemical value. As an intellectual effort it is false. Marx had repudiated the idea of alienation divorced from the economic system and, by so doing, closed off a road which would have given us a broader, more useful analysis of society and personality than the Marxian dogmatics which have prevailed. If the concept of alienation is to have any meaning, it must stand on its own feet, without the crutch of Marx. This is the argument, then, of the rest of the paper that follows.

(To be continued)

Book Reviews

(Below we publish four Book Reviews by Mr. A. Ranganathan, a noted journalist)

A CONCISE HISTORY OF MAURITIUS by Esnoo Babajee. Published by Hind Kitabs Ltd. Bombay 119 pp.

This is an interesting brochure giving a wealth of information about the island of Mauritius in the Indian ocean. It is a port of call between India and South Africa. It consists of a big island and some twenty islets—all of volcanic origin. It is some twentyfive by thirtyfive miles in dimension. It was uninhabited when the Portuguese first sighted it in the fifteenth century. They were looking for gold and not finding any were glad to let the Dutch have it in succession to them.

The Dutch introduced African slaves and started sugar cane plantations in the seventeenth century, ever since which date, we associate Mauritius with sugar.

The French were the next rulers and masters in the eighteenth century who continued the sugar cane and sugar industry. They built forts and big villas after the revolutionary classical style of the times and constructed roads all round the island which has a mountain in the centre some 2500 feet above sea level.

Indian convicts were introduced later who helped to build these roads under the French.

A few Chinese immigrants form part of the population.

After the Napoleonic wars, the island passed into the hands of the British. A few French (some ten thousand strong) remain in the island and give a French tone to the culture of the place. The British introduced Indian indentured labour to work on the plantations after the Africans were freed at the end of the 18th century. But they were treated badly, just like the slaves!

Today it is the Indian colony that forms the largest element. Madras and Bengal have contributed characteristic ethnic elements to the population. High schools and colleges and temples have emerged. Political consciousness has grown. The Municipality has now a fully elected Council.

The island administration is a crown colony with a Governor presiding over a legislative council with a majority of elected members. Indian independence gave prestige to Indians who became the majority. Independence will make them the ruling race!

The island has fine harbours and beautiful holiday resorts. It is an air base to the British.

Mahatma Gandhi visited the place in 1901 or so when he was given a reception.

The Island awaits political independence. Indians are the principal political agitators. There was talk of *satyagraha*, too. Indian socio-political move-

ments like the Ramakrishna Vivekananda and Ariya Samaj movements appear to have figured in some degree. Indentured labour is no longer the quality of the Indian population. They have become a part of Mother India in feeling and aspiration.

The booklet gives quite a wealth of interesting information about this remote sugar island in the Indian Ocean.

M. A. Venkata Rao

THE DANGERS OF COOPERATIVE FARMING,

by M. R. Masani, M.P. published by the Peasant Protest Committee, Nidubrolu. Price 0-25 nP.

The main part of this booklet contains Mr. M. R. Masani's historic speech on 'Joint Cooperative Farming' in the course of the discussion on the motion of thanks to the President for his address in the House of the People on 16th February 1959. In his characteristic style, Mr. Masani has produced an array of illustrations and examples to embellish his brilliant arguments. It is all the more creditable, when Mr. Masani was able to put the problem in its perspective, despite interruptions and attempts at heckling. It also contains a speech by Mr. Masani on the same subject, which Mr. Masani had delivered at Belgaum on March 1st, 1959, with Prof. N. G. Ranga in the chair. It is essentially a well reasoned plea for the liberty of the peasant. Indeed, it is this opposition to cooperative Farming which has sparked off the Swatantra Party.

STORM BURSTS ON THE PEASANTRY by Prof N. G. Ranga, published by the Indian Peasant institute, Nidubrolu. Price 0-60 nP.

This attractive little booklet points out the dangerous consequences arising out of the Nagpur Resolutions on Cooperative Farming. Prof. Ranga argues with great clarity that land certificates will come to mean nothing when the peasant becomes a member of the 'Cooperative Society.' As he puts it, the Government authorities have ignored the contribution of the peasants. Prof. Ranga's main thesis is that Cooperativisation breeds conflicting interests and leads on to a top heavy bureaucracy which will squeeze out the initiative of the peasants. In conclusion, Prof. Ranga, makes a ringing plea to be aware of this new vested interest deriving its inspiration from 'Soviet-Oriented Socialism.'

SELF-EMPLOYMENT SECTOR by Prof. N. G.

Ranga, published by the Indian Peasant Institute, Nidubrolu. Price 0-50 Naye Paise.

This booklet deserves a careful study by our ivory-towered planners and administrators. Prof. Ranga has always propagated the ideal of the self-employed sector. The self-employed sector of agriculturists strikes a balance between the private Capitalist sector and the contemplated sector of cooperative farming. It diffuses the widest happiness among the people, apart from allowing the maximum scope for the flowering of individual

freedom. It would be a great pity, if this self-employed sector is elbowed out of existence just to satisfy the ideological whim of the ruling party. As Prof. Ranga says, the Government could just as well sink capital in the development of Government owned lands and distribute them among the landless. That would be truly constructive, instead of trying to apply the so-called Land Reforms which are expropriatory measures. In fine, Prof. Ranga has presented his case with lucidity and an authority which comes of practical experience.

THE PEASANT AND COOPERATIVE FARMING

—A SOCIO ECONOMIC STUDY by Prof N. G.

Ranga and P. R. Paruchuri, published by the Indian Peasant Institute, Nidubrolu. Price Rs. 3-00

In this important book, which is bound to rank as a standard work on the subject of agricultural economics, Prof. Ranga and Mr. Parachuri have made an outstanding theoretical contribution. It is not often that we come across such a book. Prof. Ranga is a fine combination of a rugged peasant individualism and a cultivated Oxford Scholarship, a distinguished Professor of Economics and an independent politician who is never afraid of the party whip. He is as much concerned with the agricultural development of the country as our highly-placed authorities. He marshalls an encyclopedic range of facts to conclusively prove that cooperative farming does not suit the Indian economy. It is clear from his cogent analysis that the future progress of Indian agriculture is linked with the prospects of peasant proprietorship in our economy. With the aid of statistical tables and graphical illustrations, he has made a very impressive contribution indeed. And the beauty of the book lies in its lucidity; and yet, every fact is documented. One sincerely hopes, that it is prescribed as a 'must' reading for our pompous bureaucrats. It is a remarkable book, judged by any standard—cogency of argument, power of expression and a factual analysis leading on to valuable conclusions reinforced by practical experience. This eloquent treatise is a spirited plea for the freedom of the peasant, in the final analysis.

Gleanings from the Press

First
AGGRESSION
and now
HUMILLIATION

In the wake of the tragedy in Ladakh, humiliation is going to be India's lot. All this because the Nehru Government is believed to have agreed unconditionally to all the conditions proposed by the Chinese to govern the repatriation of the Indian prisoners and the bodies of those they killed.

The conditions for which New Delhi has apparently unquestioningly fallen are two:

ONE: The delivery would take place at the site of the tragedy; and

TWO: Those from the Indian side to take charge of the living and the dead should be unarmed, the Chinese even threatening to disarm them, should it be otherwise.

THE NEHRU GOVERNMENT'S ACCEPTANCE OF THESE HUMILIATING CONDITIONS BRINGS OUT THE SORDID FACT THAT THIS COUNTRY HAS GIVEN TO THE CHINESE BOTH DE FACTO AND DE JURE OWNERSHIP OF THE TERRITORY WHERE OUR MEN FELL FIGHTING.

Else, how can one understand that Indians cannot bear arms in their own territory?

Also, the Nehru Government has accepted, by implication, the Chinese charge that it was the Indians who intruded into Chinese territory.

—Current

WAY OF WISDOM

The nations are watching India's northern frontiers. But they are not so much interested in what China will do: they know China. They are concerned about what India will do. Will she fight back? Or will she bluster and proclaim her innocence, and then submit, as she has submitted so often in the past?

India must hit back, hard. China threatens her with her strongest weapon, organised force. India must retaliate with her strongest weapon-political mischief. India stands for freedom: China stands for slavery. If India begins deliberately stirring up trouble among China's discontented slaves, Mao-tse Tung will leave her alone. It is the way of wisdom, and the way of peace. The only alternative is war—or submission.

—Mysindia

SOCIALISM IS ANTI-SOCIAL

Socialism is based on the denial of attributes which from time immemorial were accepted as part of human nature. Men are not by nature good; so they must be compelled by external law—this is the principle of the Socialist State. In a sense therefore socialism is founded on an anti-social theory and on the doctrine of rule by force. This paradox leads to the mischief of destruction of freedom. It takes time to discover the confusion of means and ends. Social Welfare can be reached and more firmly held by the encouragement of the natural impulses of human nature than by denying them and basing a structure of compulsory conduct for all citizens to fit themselves into. The proper function of the State is to furnish and maintain the milieu for social good conduct and not to substitute the freedom of individual activity by State compulsion.

The Bureau of the Socialist International decided on Thursday to convene meeting of experts who will consider recent setbacks for Socialism in European elections and will try to discover a common

policy to reverse the unfavourable trend.' So said Reuter in a recent message. The best decision at that meeting would be to wind themselves up and leave only the Communists to remain as enemies of individual freedom.

Aatmoupamyam in Sanskrit and Oppuravu in Tamil is true Socialism and should be based on enlightened impulses, religion and tradition and made the duty of the individual. Any attempt to achieve it by external tyranny is inconsistent with democracy. Defeated in free countries everywhere as an outmoded affair, it is put in the market in India as the modern and latest fashion.

—C. R. in Swarajya

INTERNATIONAL MEGAPHONE

The National Review, New York, commenting on Red China's incursions into India writes:

What can have caused Mao to alienate his single most important advocate (India)? Possibly, the Communists are engaged in disciplining Nehru, who in recent months has permitted himself a few mild criticisms of the brutal Chinese communes. Nehru was displeased by last year's Formosa crisis and let it be known. Worse still, in recent months he gave asylum to the fugitive Dalai Lama and only last month cracked down on the Communist government of Kerala. And if, while scaring Nehru back into spineless acceptance of his long-time role as Communist China's international megaphone, China should gain a few miles of territory or catch a few more escaping Tibetans, so much the better.

PASSIVE ABETMENT

The Nagpur Times (Oct. 23rd) comments editorially, on India's non-participation in the vote on Tibet in the U.N.O. and says:

The present regime in India has no business to relinquish what we may call the trusteeship of Tibet which had come to us not only as a legacy of the British rule, but also through spiritual affinities going back to centuries past. We had a moral responsibility to Tibetans who relied on India by way of safeguards against possible Chinese onslaught....

TO READERS

Those who enjoy reading THE INDIAN LIBERTARIAN and would like to help it grow are invited to send the names and addresses of friends who may be prospective readers. A sample copy will be sent without charge.

Write to:—

The Manager,
THE INDIAN LIBERTARIAN
Arya Bhuvan, 1st Floor,
Sandhurst Road (West),
BOMBAY 4.

When India refused to be a party to bringing the question of Tibet before U.N.O., our statesmen made a laughing stock of themselves before the nations of the world, which know that our own toe was now under the heels of the Chinese. Our respect and concern for human rights in different countries of the world can now be justifiably called into question. . . . The present regime in India, by its weak-kneed and gullible approach to China emboldened her to subvert Tibetan autonomy and to encroach on Indian territory. Our non-participation in the vote on Tibet amounts to "passive abetment" as Rajagopalachari points out.

NEWS DIGEST

U. S. PRESIDENT'S VISIT WELCOMED DR. PRASAD'S MESSAGE

New Delhi: The President, Dr. Rajendra Prasad, in a message to the U.S. President, has welcomed the visit of Mr. Eisenhower to this country.

The following is the text of the message: "It has given me much pleasure to learn that you have been able to accept our invitation to visit India. My Government and the people of India have long been hoping for such a visit and are happy that they will have the opportunity of welcoming you and showing you their affection and regard."

RESOLUTION ON ULTIMATUM TO CHINA APPROVED

A Resolution, calling upon the Government of India to give an ultimatum to China to vacate the Indian border territory it had forcibly occupied, was unanimously passed amidst cheers at the second day's session of the silver jubilee conference of the Praja-Socialist Party in Bombay on Friday. Mr. Ganga Saran Sinha, Chairman, presided.

The resolution, which was moved by Mr. H. V. Kamath and seconded by Mr. Nath Pai, M.P., said that in the event of China not vacating the territory within a stipulated period, the Government of India should be prepared to "take such measures, military and diplomatic, as will compel China to quit Indian territory."

Winding up the two-and-a-half-hour discussion on the resolution, Mr. Kamath said that personally he would not be in favour of giving an ultimatum of more than 15 days for China to vacate the occupied territory. The famous "Quit India" slogan, raised against the imperialists in 1942, must now be raised against Chinese aggressors, he added.

"WORLD SWINGING AWAY FROM SOCIALISM"

Madras: Swatantra Party leaders declared here that the world was swinging away from socialism and that greater stress was being laid on increased production with "a minimum of social strain."

They asked the Prime Minister, Mr. Nehru, to

realise the new trend and to move with the times.

Mr. Minoo Masani said that the "reported surprise of Mr. Nehru at the size of the Conservative majority in the recent British election will be nothing compared to that which the Swatantra Party will give him in the 1962 poll in India."

He said that during his recent visit to the West, the most conspicuous phenomenon that struck him was the measure of economic prosperity achieved by those nations entirely through dynamic, free enterprise.

In Germany, he said, the Social Democratic Party had given up socialism and expressed itself strongly in favour of free competition. In England, 40 per cent. of labour Voted against socialism, which had failed "to deliver the goods."

Mr. C. Rajagopalachari deplored Mr. Nehru's attitude towards the Swatantra Party and his attachment to "this business of socialism."

He said that Gandhiji had always stood for square against socialism in spite of heavy pressure and had constantly insisted on the principle of trusteeship. As long as he was alive, Mr. Nehru did not start "this business of socialism."

Mr. V. P. Menon expressed the view that power had corrupted the Congress, which was progressively losing its popularity. The gap between its precepts and practices was widening and its leaders indulged in "petty intrigues" in an effort to become local "party bosses."

Mr. Menon said that inflation and unemployment were the only fruits of 12 years of Congress rule. Even in the sphere of foreign affairs, the defence Minister's defence of India's policy towards China was "puerile."

SIX GRANTS FOR INDIA ROCKEFELLER FOUNDATION

New York, November 2: The Rockefeller Foundation announced today grants totalling 139,600 dollars during the third quarter of 1959 for projects in South Asia.

India received six grants and Thailand one.

The India International Centre in New Delhi received 120,000 dollars to help it meet some of the preliminary expenses of acquiring a site and planning construction and operations.

The Centre will assist visiting scholars, sponsor visits by Indian scholars abroad and by foreign leaders to India, and assist in educational programmes.

Other grants in India were:

Mr. S. D. Sinha, Soil Survey Officer, Bihar Government, 5,100 dollars to study at Cornell University and to observe soil survey programmes in the United States.

Linguistic Society of India, Calcutta—9,000 dollars for linotype matrices to be used in publication of linguistic research.

Mr. K. R. Kripalani, of the National Academy of Letters, New Delhi—1,000 dollars to observe work in dermatology at medical centres in the United States.

Univehsity of Lucknow—3,060 dollars to conti-

nue for an additional year the services of Dr. Shiva Datt Sanwal and Dr. Madan Mohan Singh.

FORD FOUNDATION GRANTS FOR INDIAN PROJECTS

New York: The Ford Foundation announced grants of 2,224,000 dollars to India for projects ranging from a survey of tropical architecture to education for family planning.

The Foundation is a fund established by the family of Mr. Henry Ford, for international development.

The largest single Indian grant was one of 330,000 dollars for a study of educational methods for family planning.

CHINESE MASS NEAR INDIAN KEY AIRFIELD

That India's desire to settle the India-China border disputes that have become precipitated by repeated Chinese aggressions, is being taken advantage of by China, has been clearly recognized by New Delhi, and it is known that the India Government would take a step now that would necessitate China to reveal her real intentions.

Meanwhile, the External Affairs Ministry is said to have received reports that the Chinese are still in Indian territory in "considerable strength" and within 8 miles of the strategically important Indian airfield of Chusul.

NEWS FROM THE LIBERTARIAN WORLD

Venezuela: A strong libertarian movement is taking shape in Venezuela. The National Confederation of Trabajo of Spain is being strengthened and unified in that country. A small, but select group of militant libertarians, with no distinction of social position or political leanings, have been discussing and formulating their plan of action to strengthen the hands of libertarianism in their country.

Among the leaders of the movement are pioneering libertarians of Venezuela, men like Joan Campa, Carmen Fernandes, Jose Silvestre, Antonio Amado and others who have circulated an appeal to the Libertarian friends abroad to join hands with their movement and extend sympathy and comradeship in their struggles to keep up the banner of libertarianism in their country.

The signatories of this appeal speak of the "sublimity of the libertarian ideology and intellectualism behind their actions." Everywhere the governments and nationalists are strangling the very concept of individualist philosophy of life. The Appeal therefore concludes with a call to all libertarians to stand united to fight their battles. "Let us all stand united in this enterprise. Long live the unity of Libertarian Movement," says the appeal.

ACTION AGAINST CHINESE: GEN. CARIAPPA'S CALL

New Delhi: Gen. K. M. Cariappa, a former Commander-in-Chief of the Army, said here that if im-

mediate steps were not taken to dislodge the Chinese troops occupying Indian soil in the NEFA and Ladakh areas, "it certainly will become more difficult and more costly in all respects to do so later."

"If we are driven by China to go to war, let us go to it with 400 million of our people solidly behind the Government, but I hope war will not have to be resorted to, to settle the issue." For whatever steps India might have to take to defend her territory, all the peace-loving peoples of the world will not blame us on the other hand we can reliably count on their understanding and cooperation," he said.

THE SWATANTRA PARTY IN MYSORE STATE

REPORT FROM LIBERTARIAN SOCIAL INSTITUTE, CHAMRAJPET, BANGALORE 18

The preliminary meetings to sponsor the Swatantra Party took place first in Bangalore, Mysore State and a week later in Madras in May and June of this year.

The principal sponsors were the All India Agriculturists Federation which first met in session in Bangalore two years previously.

The Federation continues to be the supporter of the new party while remaining a spokesman of the rural interests with its own journal—The Rural Voice.

The Swatantra Party as in other States is now engaged in a membership drive and the formation of district organisations with party office and personnel.

The Party had a district convention in Hassan which was very successful, being attended by over a thousand delegates from all parts of the district, part of which is Malnad and has many plantations of coffee.

The next event was the Convention at Mangalore, another district with a large element of agriculturists, small and big. Mr. Lobo Prabhu, a retired civil service officer, took the lead in Mangalore and presided. Mr. M. R. Masani inaugurated the session.

Coorg is to have its own Convention early. In fact Coorg is prominent from the beginning with the foundation of the agriculturists' federation two years ago. Even before that, Mr. M. A. Venkata Rao on behalf of the Bangalore Libertarian Institute, addressed the Mercara Rotary Club and townspeople at the Town Hall on the need to oppose socialist trends in the matter of land reforms as well as industrial five year plans of the wrong kind. Mr. Jinaraja Heggade, later the energetic Secretary of the Agriculturists' Federation also spoke from the same platform in Mercara and inaugurated the movement that took shape in the Federation and the Swatantra Party in due course.

In the Mysore State, Dharwar has a district organisation and efforts are being made to spread the movement to the remaining districts.

In the City, Mr. V. T. Srinivasan, a retired Accountant General, is Hon. Secretary and is engaged at present in the membership drive.

On the whole, the Party is moving fairly fast since its inception in June.

Much preaching does not seem to be necessary to enroll members but it will take some time to crystallise sympathy and support in the shape of reliable voting strength.

There is already the disturbing activity of the Intelligence Police in gathering information about the supporters of the new party. It is acting as a deterrent to growth and an intimidation. But this will be overcome gradually, with the bold ones remaining and the timid ones supporting under the rose.

A. Venkataram

The following books have been added to the R. L. Foundation Library, Arya Bhuvan, Sandhurst Road, Bombay 4.

Doctor Zhivago: by Pasternak, Boris
Indian Economy; Its Nature and Problems: by Ghosh, Alak
Economic Development: by Meier, Gerald M; & Baldwin, Robert E.
Rural Sociology in India: by Desai, A. R.

Century of Social Reform in India: by Natrajan, S.
General Education and Indian Universities: by Parikh, G. D.

Reserve Bank of India and Monetary Management: by Gupta, G. P.

Lolita: by Nabokov, Vladimir

Mirage of a Classless Society: by Patwardhan, M. V.

Bureaucratism in Communist China: by Freiter, Max
Invisible Conflict: by Hsu, U. T.

Propensity To Monopolize: by Zimmerman, L.J.
General Psychology: by Guilford, J. P.

Planning and Developing the Company Organization Structure: by Dale, Ernest

Prices, Income, and Public Policy: by Allen, Clark Lee and others

Economic Analysis and Policy in Underdeveloped Countries: by Bauer, P. T.

Lokayata Study in Ancient Indian Materialism: by Chattopadhyaya, Deviprasad

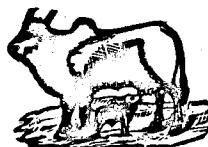
Conquest of Violence: Gandhian Philosophy of Conflict: by Bondurant, Joan V.

Joint Farming X-Rayed: Problem and Its Solution: by Singh, Charan

Danger from Communist China: by Gorwala, A. D.
Swatantra Party: Preparatory Convention:

THE DUNCAN ROAD FLOUR MILLS

Have you tried the Cow Brand flour manufactured by the Duncan Road Flour Mills? Prices are economical and only the best grains are ground. The whole production process is automatic, untouched by hand and hence our produce is the cleanest and the most sanitary.



Write to:

THE MANAGER

DUNCAN ROAD FLOUR MILLS

BOMBAY 4

Telephone: 70205

Telegram: LOTEWALLA